



# PUBLIC NOTICE

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Released: August 20, 2009

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF  
INTEGRA TELECOM HOLDINGS, INC., ESCHOLON TELECOM, INC., ELECTRIC  
LIGHTWAVE, LLC AND OTHER SUBSIDIARIES OF INTEGRA TELECOM HOLDINGS,  
INC.**

**STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 09-136**

**Comments Due: September 3, 2009**

**Reply Comments Due: September 10, 2009**

On July 23, 2009, Integra Telecom Holdings, Inc. (Integra Holdings) and its subsidiaries, filed an application, pursuant to section 63.03 of the Commission's rules, to transfer control of Integra Holdings, Eschelon Telecom, Inc. (Eschelon), Electric Lightwave, LLC (Electric Lightwave) and subsidiaries in connection with the debt restructuring of Integra Telecom, the ultimate parent of these certified carriers, and their subsidiaries (collectively, Integra) to Goldman, Sachs & Co., Tennenbaum Capital Partners, LLC, Farallon Capital Management, L.L.C. (collectively with Integra, Applicants).<sup>1</sup>

Integra Telecom, Inc. (Integra Telecom) is an Oregon corporation. Integra Holdings, also an Oregon corporation, is a certificated carrier and a wholly owned subsidiary of Integra Telecom that provides local telephone service, long distance, and other services to small and mid-sized businesses. Integra Holdings has operating subsidiaries holding competitive local exchange carrier (LEC) licenses to operate as facilities-based providers in Idaho (Integra Telecom of Idaho, Inc.), Minnesota (Integra Telecom of Minnesota, Inc.), North Dakota (Integra Telecom of North Dakota, Inc.), Oregon (Integra Telecom of Oregon, Inc.), Utah (Integra Telecom of Utah, Inc.) and Washington (Integra Telecom of Washington, Inc.). Scott-Rice Telephone Company is a rural incumbent LEC subsidiary of Integra Holdings that operates in Minnesota. Electric Lightwave, a subsidiary of Integra Holdings, holds its own section 214 authorizations and provide telecommunications services in Arizona, Oregon, Washington, Nevada, California, Utah, Idaho and New York. Eschelon is also a subsidiary of Integra Holdings that is authorized to provide telecommunications services in Idaho and New York; however, Eschelon presently only provides service, specifically long distance resale service, to one business customer in New York

<sup>1</sup> 47 C.F.R. § 63.03; see 47 U.S.C. § 214. Applicants are also filing an application for a transfer of control associated with authorization for international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. Applicants filed a supplement to their application on August 18, 2009. Applicants commit to, within 30 days of the completion of the restructuring described in the application, file a supplement setting forth the then-current equity ownership percentages held by each ten percent or greater interest holder in Integra Telecom, Inc.

and fewer than 10 business customers in Idaho. Eschelon Operating Company (OPCO) is a wholly owned subsidiary of Eschelon. OPCO has several direct, wholly owned subsidiaries that offer telecommunications services in various states.<sup>2</sup> In these states, the subsidiaries provide resold and facilities-based local, resold long distance, and data services to small and medium sized-businesses.

Goldman, Sachs & Co., a New York Limited Partnership (Goldman), is a registered broker-dealer. Goldman holds a 30.82 percent interest in Cequel Communications, LLC, and its operating subsidiary, Suddenlink Communications, which provides communications, video and other services in various states. Goldman also has a 39.30 percent interest in Global Tel\*Link, which owns and operates prison payphones and public payphones and provides managed telecommunications services to inmates of state and county departments of correction in various states. The Goldman Sachs Group, Inc. (GSG) is the sole limited partner of Goldman. The general partner of Goldman is The Goldman, Sachs & Co., LLC, of which GSG is the sole member. GSG is a widely-held Delaware corporation. The following U.S. citizen and U.S.-based entity own 10 percent of Goldman: The Goldman Sachs Group, Inc. (99.8 percent) and The Goldman, Sachs & Co. L.L.C. Following the proposed transfer of control, it is anticipated that Goldman will hold approximately (36.41 percent) of the equity of Integra Telecom.

Tennenbaum Capital Partners, LLC (Tennenbaum) is a private Delaware investment firm. Tennenbaum will hold through its four investment fund companies, in the aggregate, approximately 21.86 percent of the common stock of Integra Telecom. The Tennenbaum Fund, Special Value Continuation Partners, LP, or SVCP, holds a 13.5 percent equity interest in ITC Deltacom, Inc., a facilities-based provider of integrated communications services principally to businesses in the southeastern United States. The following U.S. citizen and U.S.-based entity own 10 percent of Tennenbaum:<sup>3</sup> Tennenbaum & Co., LLC (40 percent), Howard M. Levkowitz (15 percent), and Mark K. Holdsworth (15 percent). Michael E. Tennenbaum, a U.S. citizen, is the Managing Member of Tennenbaum & Co., LLC, which is wholly owned by Mr. Tennenbaum and his wife, Suzanne Stockfish Tennenbaum, a U.S. citizen.

Farallon Capital Management, L.L.C. (Farallon) is a registered investment adviser that will hold approximately 12.89 percent of the equity of Integra Telecom.<sup>4</sup> Farallon holds a 10 percent or greater

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<sup>2</sup> Advanced TelCom, Inc. provides telecommunications services in the states of California, Nevada, Oregon and Washington. Advanced TelCom's subsidiary, Shared Communications Services, Inc. is a certificated carrier in Nevada, Oregon and Washington. Oregon Telecom, Inc. provides telecommunications services in Oregon and Washington. Eschelon Telecom of Minnesota, Inc., Eschelon Telecom of Washington, Inc., Eschelon Telecom of Colorado, Inc., Eschelon Telecom of Nevada, Inc., Eschelon Telecom of Arizona, Inc., Eschelon Telecom of Utah, Inc. and Eschelon Telecom of Oregon, Inc. each provide telecommunications services in the state that bears their name. Mountain Telecommunications, Inc. is the holding company for Mountain Telecommunications of Arizona, Inc. which provides services in Arizona. OneEighty Communications, Inc. provides telecommunications services in Montana. United Communications, Inc. d/b/a UNICOM provides telecommunications services in Oregon and Washington.

<sup>3</sup> Tennenbaum is the Investment Manager to the Tennenbaum Funds, four registered investment companies which in the aggregate will hold approximately 21.86% of the common stock of Integra Telecom. The Tennenbaum Funds are: Special Value Opportunities Fund, LLC (SVOF); Special Value Expansion Fund, LLC (SVEF); Special Value Continuation Partners, LP (SVCP); and Tennenbaum Opportunities Partners V, LP (TOPFV). Each of the Tennenbaum Funds is organized under the law of Delaware, and the principal business of each Fund is investments. It is anticipated that the Tennenbaum Funds will hold equity interests in Integra Telecom as follows: SVOF 5.73%; SVEF 4.78%; SVCP 1.27%; and TOPV 10.08%. Neither SVOF nor SVEF have a Managing Member. Both SVOF and SVEF have a majority-independent board of directors that serves the managing member role. For both SVCP and TOPV, SVOF/MM, LLC is the General Partner. The Managing Member of SVOF/MM, LLC is Tennenbaum. The General Partner has a limited role both SVCP and TOPB have a majority-independent board of directors. The equity holders in the Tennenbaum Funds will not have a cognizable interest in Integra's certificated carriers.

<sup>4</sup> Farallon is the investment manager to the Farallon Funds, which include the following eleven funds: Farallon Capital Partners, L.P. ("FCP, L.P."), a California limited partnership; Farallon FCP, Ltd. ("FFCP, Ltd."), a Delaware grantor trust; Farallon Capital Institutional Partners, L.P. ("FCIP, L.P."), a California limited partnership; Farallon

interest in Knology, Inc., which provides bundled voice, data and video services to residential customers in various states. The following U.S. citizens and U.S. based entity own 10 percent of Farallon Capital Management, L.L.C.: Thomas F. Steyer (41 percent), and Andrew J. M. Spokes (25 percent).<sup>5</sup>

Pursuant to the terms of the proposed Plan Support Agreement dated as of July 21, 2009 (the Agreement), Integra Telecom and its operating subsidiaries entered into the Agreement with certain of its lenders (including Goldman, Tennenbaum and Farallon) to reduce its debt.<sup>6</sup> As a result of the restructuring, Goldman, the holder of 40 percent of the second lien credit facility and twenty-one percent of the unsecured paid in kind facility, will exchange its debt for approximately 36.41 percent of the equity of Integra Telecom. Debt holders Tennenbaum (21.86 percent) and Farallon (12.89 percent) will also become cognizable equity interest holders. Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(ii) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.<sup>7</sup>

Domestic Section 214 Application Filed for the Transfer of Control of Integra Telecom Holdings, Inc., Eschelon Telecom, Inc., Electric Lightwave, LLC, and other Subsidiaries of Integra Telecom Holdings, Inc., WC Docket No. 09-136 (filed July 23, 2009).

### **GENERAL INFORMATION**

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FCIP, Ltd. ("FFCIP, Ltd."), a Delaware grantor trust; Farallon Capital Institutional Partners II, L.P. ("FCIP II, L.P."), a California limited partnership; Farallon Capital Institutional Partners, L.P. ("FCIP III, L.P."), a Delaware limited partnership; Tinicum Partners, L.P. ("TP, L.P."), a New York limited partnership; Farallon Capital Offshore Investors II, L.P. ("FCOI II, L.P."), a Cayman, B.W.I. exempted limited partnership; Farallon FCOI II, Inc. ("FFCOI II, Inc."), a Cayman, B.W.I. exempted company; Farallon Capital Offshore Investors, Inc. ("FCOI, Inc."), a B.V.I. company; and Farallon Capital Offshore Investors III, Inc. ("FCOI III, Inc."), a Cayman, B.W.I. exempted company. It is expected that the individual Farallon Funds will hold the following percentage equity interests in Integra Telecom: FCP, L.P., 1.49%; FFCP, Ltd., 0.37%; FCIP, L.P., 1.92%; FFCIP, Ltd., 0.69%; FCIP II, L.P., 0.17%; FCIP III, L.P., 0.12%; TP, L.P., 0.02%; FCOI II, L.P., 1.88%; FFCOI II, Inc., 1.06%; FCOI, Inc., 2.93%; and FCOI III, Inc., 2.18%. In the aggregate, the Farallon Funds will hold approximately 12.89% of the common stock of Integra Telecom. The sole general partner for each of the above-referenced partnerships is Farallon Partners, L.L.C. ("FP"). FP also acts as the administrative trustee for the above-referenced Delaware grantor trusts. For Farallon Capital Offshore Investors, Inc. and Farallon Capital Offshore Investors III, Inc., Farallon Capital Management, L.L.C. acts as agent and attorney-in-fact. For Farallon FCOI II, Inc., its sole director is Farallon Partners Directors, L.L.C., the sole member of which is FP. The equity holders of the Farallon Funds will have not hold a cognizable interest in Integra's certificated carriers.

<sup>5</sup> The name and citizenship of the Managing Members of Farallon Capital Management, L.L.C. in addition to Mr. Steyer and Mr. Spokes are as follows: Richard B. Fried, U.S.; Stephen L. Millham, U.S.; Mark C. Wehrly, U.S.; William F. Duhamel, U.S.; Monica R. Landry, U.S.; Gregory S. Swart, New Zealand; Rajiv A. Patel, U.S.; Alice F. Evarts, U.S.; Jason E. Moment, U.S.; Douglas M. MacMahon, U.S.; Ashish H. Pant, India; Daniel J. Hirsch, U.S.; Richard H. Voon, U.S.

<sup>6</sup> Applicants state that under the terms of the Agreement, Integra must solicit votes on the Restructuring from its lenders and shareholders. If Integra does not obtain unanimous consent from all voting parties to approve the Restructuring and/or the Restructuring is not otherwise consummated within 67 Days following the effective date of the Agreement (or such extended time period as the parties may agree under certain circumstances), then Integra would seek to implement the Restructuring through a "pre-packaged" Chapter 11 bankruptcy filing. Because the parties to the Agreement constitute the requisite majorities needed to approve a restructuring plan in bankruptcy, Integra expects that the prepackaged bankruptcy process would proceed expeditiously and would have little to no impact on business operations. In the case of such a filing, Integra would make the required notification for its domestic authorizations.

<sup>7</sup> 47 C.F.R. § 63.03(b)(2)(ii).

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<sup>7</sup> 47 C.F.R. § 63.03(b)(2)(ii).

For further information, please contact Tracey Wilson-Parker at (202) 418-1394 or Dennis Johnson at (202) 418-0809.

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